

March 7, 2000

OBSERVATION REPORT #41

KPMG observed missing, unknown, incorrect and untimely charges on several bills.

Issue 41.1

KPMG found unknown service order charges on its UNE Loop Bill.

KPMG found an unknown service order charge for \$12.82 associated with two separate orders on its UNE Loop Bill.¹ This rate could not be found in KPMG's Interconnection agreement with Bell Atlantic, or in the DTE tariff.

Issue 41.2

KPMG was not billed several service order charges associated with an order.

On KPMG's January 6, 2000 Y40 Bill (number 617 Y40-0013 156), KPMG was not billed several of the Other Charges and Credits specific to a migration order (Service order # C5PA5423 completed on 12/15/99). The following charges were not billed as expected:

| Item No. | Type of charge | USOC | USOC Description |
|-----------------|-----------------------|-------------|--|
| 1. | Monthly recurring | POR1X | Telephone number portability cost recovery surcharge |
| 2. | One-time | NR9KD | ISDN Expedite Service Order – 1 Link |
| 3. | One-time | NR9GU | Modification Charge – Add/Change/Delete |

POR1X appears on the account CSR and is billed on that account on a monthly recurring basis. NR9KD and NR9GU were shown on the completion notice for the order, and both have defined rates in KPMG's Interconnection Agreement with Bell Atlantic.

Issue 41.3

KPMG was billed an incorrect amount for changing the presubscribed interexchange carrier (PIC)² on one of its end-user's accounts.

¹ The account number for the UNE Loop bill is 617 014-7406 969 008 1, with a bill period of December 6 – January 5, 2000. The associated Loop Summary bill number is 617 815-4609 360, with a bill period of January 1 – January 31, 2000.

² PIC more commonly refers to the long-distance carrier that the end-user has on his/her account.

KPMG submitted a service order to change the PIC on an end-user's account.³ The correct rate for this change is \$5.00 minus a 24.99% discount because this change was applied to a resale account.⁴ The resulting rate should be \$3.75.

In contrast, KPMG was billed \$2.81. This appears to represent the \$5.00 charge discounted twice by 24.99%. In other words:

$$[\$5.00 \times (1-.2499)] \times (1-.2499) = \$2.81$$

DTE Tariffs, FCC Tariffs, or the Bell Atlantic Handbook do not include any documentation of a process for deriving the resulting rate.

Issue 41.4

KPMG was not billed for several service order charges as expected.

KPMG should have received charges for "service connection – other" (USOC = NR9KK). Per KPMG's Interconnection Agreement with Bell Atlantic, NR9KK carries a rate of \$2.26 per port which is applied as a non-recurring, service migration/conversion order charge. In the following instances, KPMG was not billed, but should have been billed, a "service connection – other" charge:

| Item Number | Bill Number | Bill Date | Service Order Number | Issue |
|-------------|------------------|-----------|----------------------|---|
| 1. | 617 Y40-0013 156 | 1/6/00 | C5UE2480 | Charge was not applied to one of the two lines migrated to UNE-P. (TN 617-372-8515) |
| 2. | 617 Y40-0013 156 | 2/6/00 | N5PA5519 | Charge was not applied to one of the two lines migrated to UNE-P. (TN 617-338-1778) |
| 3. | 617 Y40-0013 156 | 2/6/00 | N5TH3150 | Charge was not applied to one of the two lines migrated to UNE-P. (TN 617-338-7547) |

³ The charge appears on the 12/31/99 resale bill, bill number 508 Q05-0135 135. The associated service order is C5UA3599 and the end-user's telephone number is 781-292-9670. The order completed on 12/20/99.

⁴ The \$5.00 rate for the PIC change can be found in the DTE Tariff #15, Section 30.14.1. The 24.99% discount is illustrated in the DTE Tariff #14, Section 10.5.1.

Issue 41.5

KPMG observed missing late payment charges on several bills.

KPMG should have received late payment charges on the following February bills:

| Item No. | Bill Number | Bill Date | Charges Applicable to Late Payment Charges |
|-----------------|--------------------|------------------|--|
| 1. | 617 Y40-0013 156 | 02/06/2000 | Monthly access charges and other charges and credits billed on the Dec. 6, 1999 bill |
| 2. | 413 Y40-0014 104 | 02/06/2000 | Monthly access charges billed on the December 6, 1999 bill. |

Issue 41.6

The subtotal for monthly charges on one of KPMG's customer service records is incorrect.

On KPMG's February 6, 2000 Y40 bill (number 617 Y40-0013 156), the subtotal for OCL "BSTNMABODS9" is not equal to the sum of the individual monthly charges that appear in that OCL. The sum of the individual charges is \$121.93, yet the subtotal for that OCL is shown as \$135.58. KPMG was billed for monthly access charges using \$135.58 as the amount for that OCL.

Issue 41.7

KPMG has been billed certain service order charges it should not have incurred.

A) KPMG's 12/31/99 resale bill (number 508 Q05-0135 135) included a "Service Ordering – Other Charge" on a residential account.⁵ KPMG should not have incurred this charge, which resulted from submitting a request to change the class of service on an end user's account from 1MR (measured residence service) to 1FR (unlimited local residence service). This request should be classified as a request to change from measured residence basic exchange service to unlimited residence basic exchange service.

As stated in the DTE MA No. 10 Tariff, Part A, Section 3, p. 3, 3.2.1.D, "Service charges do not apply to the following changes or requests. 3) A change from measured residence basic exchange service to unlimited residence basic exchange service." Consequently, KPMG should not have been billed \$5.70 for "Service Ordering – Other Charges."

⁵ The telephone number associated with the account in question is 413-564-8306. The service order number is C5TB7044, with an associated purchase order number of 19012061999001.

B) The 12/31/99 resale bill (number 508 Q05-0135 135) includes “Service Ordering – Other Charges” for a change to a business account’s class of service. KPMG requested a class of service change from 1MB to 1FB that is associated with a higher rate. Therefore, this change in record should be classified as a change that primarily benefits the Telephone Company.⁶

As stated in the DTE MA No. 10 Tariff, Part A, Section 3, p. 3, 3.2.1.D: “Service charges do not apply to the following changes or requests. 4) Requests which result in a change in records which primarily benefit the Telephone Company.” Consequently, KPMG should not have incurred the \$26.04 for “Service Ordering – Other Charges.”

Issue 41.8

KPMG was not billed in a timely manner for a certain service order.

KPMG was not billed for a service order that should have appeared on the 12/31/99 resale bill (number 508 Q05-0135 135). The service order requested the addition of two lines to a business account.⁷ KPMG received a billing completion notice from Bell Atlantic stating that the order was completed on 12/21/99.

The Other Charges and Credits section of the 12/31/99 bill does not include this service order. In addition, the Customer Service Record associated with the bill does not reflect the new lines for this account. Given that the order completed on 12/21/99, associated charges should have appeared on the 12/31/99 resale bill given the billing cycle.

Assessment

If CLECs are not billed charges that are complete, known, correct and billed in a timely manner they will have difficulty billing their end users appropriately.

⁶ The telephone number associated with the account in question is 781-263-7010. The service order number is C5PP0991, with an associated purchase order number of 22112081999001.

⁷ The service order number is C5UH6487. The associated purchase order number is 19812091999001. The account telephone number is 617-372-8510.